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FM AMEMBASSY BAKU
TO RUEHC/SECSTATE WASHDC PRIORITY 0823
INFO RUCNCIS/CIS COLLECTIVE PRIORITY
RUCNMEM/EU MEMBER STATES PRIORITY
RUEHAK/AMEMBASSY ANKARA PRIORITY 3257
RUEKJCS/SECDEF WASHDC PRIORITY
RHMFISS/CDR USEUCOM VAIHINGEN GE PRIORITY
RHEHNSC/NSC WASHDC PRIORITY
RUCPDOG/DEPT OF COMMERCE WASHDC PRIORITY
RUEKJCS/JOINT STAFF WASHDC PRIORITY
RUEKDIA/DIA WASHDC PRIORITY
RUEATRS/DEPT OF TREASURY WASHDC PRIORITY
RHEBAAA/DEPT OF ENERGY WASHDC PRIORITY
RUEAIIA/CIA WASHINGTON DC PRIORITY

C O N F I D E N T I A L BAKU 000147

SENSITIVE
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TAGS: [EFIN](#) [ECON](#) [EINV](#) [PTER](#) [PREL](#) [AJ](#)

SUBJECT: AZERBAIJAN'S PRESIDENT ALIYEV SIGNS NEW ANTI-MONEY
LAUNDERING LAW: PLACES FIU AT CENTRAL BANK

REF: BAKU 130

Classified By: Classified By: Political Economic Counselor Robert Garverick, reasons 1.4 (b) and (d).

¶1. (U) SUMMARY: On 24 February 2009, Azerbaijani President Ilham Aliyev signed the latest draft of the new Anti-Money Laundering (AML)/Counter-Terrorism Financing (CTF) Law. Although USG is still awaiting comments from the Council of Europe, MONEYVAL on the law, the Embassy applauded Azerbaijan's efforts to reform and amend its money laundering legislation. Notably, the President, upon signature, chose to locate the Financial Intelligence Unit (FIU) within the National Bank of Azerbaijan. This was an important next step in Azerbaijan's commitment to AML/CTF. End Summary.

¶2. (U) Azerbaijan's President Ilham Aliyev signed the country's new Anti-Money Laundering/Counter-Terrorism Financing law into being on February 24, 2009. Details of the requirements set forth in the law, as well as institutional responsibilities and some areas for improvement are reported reftel. Embassy Baku has yet to learn MONEYVAL's thoughts on approved final draft.

¶3. (U) Previously, the location of the FIU had been a particularly sensitive issue and source of great controversy within the Azerbaijani government. The Azerbaijani President considered the National Bank of Azerbaijan, the Prosecutor General's Office and Ministry of Finance as options for the location of the FIU. Most observers agree that the decision to locate the FIU in the National Bank of Azerbaijan is promising.

¶4. (C) COMMENT: Embassy Baku is pleased to see the FIU placed within the National Bank. Out of all the alternatives, Embassy Baku considers that the National Bank of Azerbaijan will offer the FIU the most independence and autonomy to perform its duties. Embassy Baku plans to work closely with Azerbaijan to help on FIU implementation. End Comment.
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